

# Unit 10: Strategic Human Resource Management

<b>Unit code:</b>	<b>D/602/2326</b>
<b>QCF Level 7:</b>	<b>BTEC Professional</b>
<b>Credit value:</b>	<b>10</b>
<b>Guided learning hours:</b>	<b>30</b>

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## Unit aim

This unit provides the learner with an understanding of how the effective strategic management of human resources supports the achievement of organisational purposes and provides the skills to apply this understanding in an organisational context.

## Unit introduction

Strategic human resource management is concerned with the management of human resources in ways that support an organisation's strategy and contribute to the achievement of organisational goals. It takes a long-term perspective on how human resources can be matched to organisational requirements and considers broader matters such as the quality and commitment of the human resource to an organisation.

Human resource planning provides the mechanisms through which organisations can ensure that they have sufficient staff of the right quality now and in the future to enable their successful functioning. Issues such as the recruitment of staff, the retention of staff, developing staff and succession planning, as well as downsizing and relocation, need to be accommodated in human resource plans.

The nature of the changing business environment requires adaptable strategic human resource plans. Organisations have a range of human resources policies that explain how human resources are managed. In many cases, there is a legal or regulatory requirement that insists on the existence of these policies. In other instances, organisations may wish to demonstrate good corporate practice in matters relating to employment.

The structure and culture of organisations affects human resource management. The publication of lists of companies that are good employers indicates how structure and culture affect personnel and how the perceptions of other parties are shaped by how employees feel about working for particular organisations. Organisations that are good employers are more likely to attract and keep good staff.

By examining human resource management, learners will understand how human resource strategy and policies enable personnel to work in ways that contribute to the overall effectiveness of organisations in both the short and long term.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

### On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1 Understand how the strategic management of human resources contributes to the achievement of organisational objectives	1.1 explain the importance of strategic human resource management in organisations 1.2 assess the purpose of strategic human resource management activities in an organisation 1.3 evaluate the contribution of strategic human resource management to the achievement of an organisation's objectives
2 Be able to develop human resource plans for an organisation	2.1 analyse the business factors that underpin human resource planning in an organisation 2.2 assess the human resource requirements in a given situation 2.3 develop a human resources plan for an organisation 2.4 critically evaluate how a human resources plan can contribute to meeting an organisation's objectives
3 Understand human resources policy requirements in an organisation	3.1 explain the purpose of human resource management policies in organisations 3.2 analyse the impact of regulatory requirements on human resource policies in an organisation
4 Be able to examine human resources management in an organisation	4.1 analyse the impact of an organisational structure on the management of human resources 4.2 analyse the impact of an organisational culture on the management of human resources 4.3 examine how the effectiveness of human resources management is monitored in an organisation 4.4 make justified recommendations to improve the effectiveness of human resources management in an organisation

## Unit content

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### 1 Understand how the strategic management of human resources contributes to the achievement of organisational objectives

*Human resource management (HRM):* definition; characteristics of HRM approach; models of HRM eg contingency model, best practice model, Harvard Framework, D Guest, M Patterson; HRM activities; HRM and personnel management

*Strategy:* organisational strategy; HRM strategy; benefits of HRM strategy for organisations; alignment of organisational and HRM strategies; impact of organisational strategy on HRM strategy; influence of HRM strategy on organisational strategy; human capital management; HRM strategy and organisational performance; creating value; business focus of HRM strategy; efficient human resource management

### 2 Be able to develop human resource plans for an organisation

*Business factors:* business growth; business decline; business change; labour cost control; capital for labour substitution; location of operations; changing nature of work; impact of technology; increase in productivity; increase in efficiency; business competition; labour market competition; employee development

*Human resource requirements:* identifying personnel requirements (numbers, skill sets, experience, qualifications); match personnel to organisational requirements; internal factors eg labour requirements, skill requirements, workforce profiles; external factors eg demand for labour, supply of labour; government policies eg employment, education, training, industrial, regional; labour market competition

*Human resource planning:* purposes (recruitment, retention, employee development; re-skilling, upskilling, succession planning); outcomes; resources required; criteria for success; milestones; planning horizons (short, medium, long-term); business case eg costs, benefits; setting SMART (specific, measurable, achievable, realistic, time-based) targets

### 3 Understand human resources policy requirements in an organisation

*Human resource management policies:* recruitment and selection; health and safety; equality and diversity; pay; rewards, benefits and expenses; working time and time off; training and development; maternity/paternity; bullying and harassment; discipline, dismissal and grievance; performance improvement; change management; intellectual property (patents, copyrights); confidentiality of information; whistleblowing/protected disclosures; smoking, drugs and alcohol; purposes of policies

*Employment legislation:* legal and regulatory requirements relating to pay, discrimination, equality, employment rights and responsibilities, contractual terms and conditions and data protection (up-to-date legislation must be used)  
– Employment Act 2008, Employment Relations Act 2004, Work and Families Act 2006, Employment Rights Act 1996, Sex Discrimination Act 1995/1997, Race Relations Act 1992, Race Relations Amendment Act 2000, Equal Pay Act 1970, Disability Discrimination Acts 1995 and 2005, European Working Time Directive, National Minimum Wage Act 1998, Data Protection Act 1998

#### 4 **Be able to examine human resources management in an organisation**

*Structure and culture:* theories of organisational structure eg Weber, Mintzberg, Handy; forms of structure and the impact on HRM eg functional, product based, geographical, divisional, matrix; centralisation; decentralisation; theoretical models of culture eg Handy, Hofstede, Schein; organisational culture; relationships between culture and the HRM function

*Effectiveness:* HRM components to be monitored (HRM strategy, HRM policies, HRM operations); contribution of HRM to achievement of organisational goals; costs; benefits; human resource use; efficiencies; inefficiencies; gathering information about HRM performance; developing performance indicators; evaluating HRM performance using performance indicators; quantitative measures eg productivity, output per person, employee retention, staff turnover, cost savings; qualitative measures eg employee attitude surveys, stakeholder perspectives; benchmarking HR performance; HRM service level agreements and standards; utility analysis to evaluate the costs and benefits of HRM activities; proposing improvements

## Essential guidance for tutors

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### Delivery

All the learning outcomes in this unit can be delivered flexibly. Formal tutor input could identify some of the theoretical material but learners can work individually and in groups to research and gather information on strategic human resource management. No previous knowledge of strategic human resource management is assumed and learners can use workplace experiences.

Research, case studies, business simulations and discussion all offer approaches to learning about strategic human resource management. Using an organisation's own human resources manager or an appropriate guest speaker could provide practical insight into strategic human resource management. Up-to-date materials are available on the internet and material on many human resource management topics is available from both government agencies and private providers.

Learners could be introduced to the importance of strategic human resource management in organisations and how it is aligned with, and both contributes to and supports, the overarching organisational strategy. Research, case studies and their own employment could enable learners to review the numerous factors that shape human resource planning. The business press provides a range of examples of how the fluidity of the business context causes organisations to adjust their human resource plans to ensure that suitable personnel are employed and developed in the short and long term, to enable the organisation to maintain its competitive advantage and to continue to function.

Business leaders are often interviewed to explain how only by changing the pattern of human resource use will the organisation survive. It is a truism for organisations to indicate that staff are their most important asset. Human resource management policies articulate the way in which personnel are looked after and managed. Presentations from speakers such as human resource managers can help to identify the legal requirements that need to be incorporated into human resource management policies and procedures. Reviewing and discussing examples of human resource management policies and procedures to see how they incorporate legal requirements provides illustrations of how this happens in practice.

Case studies can demonstrate how organisational structure and culture influence the management of human resources and learners will be expected to carry out practical work to show how this happens. The effectiveness of human resource management activities needs to be kept under review to ensure that these activities provide organisations with efficient and effective human capital. Learners can consider this by carrying out practical work where they make recommendations to improve human resources management in an organisation.

**Outline learning plan**

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way of planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to the unit and the programme of assignments
Presentation on the importance of strategic human resource management
Case studies and discussion on the link between organisational strategy and human resource management strategy
<b>Assignment 1: Human Resource Management Strategy</b>
Tutor support and feedback
Presentation on human resource planning Case studies, research and practical work on the factors that shape human resource planning for a range of organisations Discussion on the contribution of human resource plans to the achievement of organisational objectives
Presentation of the legal and regulatory requirements associated with human resource management policies Review of human resource policies and their purpose in organisations
<b>Assignment 2: Human Resources Planning</b>
Tutor support and feedback
Presentation and discussion on the links between organisational structure and culture and the management of human resources. Investigation and discussion on monitoring and reviewing the effectiveness of human resource management.
<b>Assignment 3: Reviewing Human Resource Management</b>
Tutor support and feedback
Review of unit and programme of assignments

## Assessment

For AC1.1, learners need to explain the importance of strategic human resource management and the need for adopting both a medium- and long-term perspective in respect of human resource management.

For AC 1.2 and 1.3, learners need to assess the purpose of strategic human resources management and evaluate how it contributes to organisational objectives. The link between corporate strategy and human resource management strategy needs to be made clear to show their interrelationship and how the human resource management strategy supports and contributes to organisational purposes. For AC 1.1, 1.2 and 1.3, a review or case study can be used to examine the importance of strategic human resource management and its role in supporting wider organisational objectives.

For AC2.1, learners need to analyse the business factors that dictate the need to plan human resources by looking internally at the organisation's requirements, as well as considering the influence of external environmental factors.

For AC2.2, learners need to assess the human resource requirements for a specific organisation in a specific situation. Learners can use their own organisation if appropriate.

For AC 2.3 and 2.4, learners need to develop a human resources plan building on the results of the work completed for AC2.2. The plan needs to be formulated using SMART (specific, achievable, measurable, realistic, and time-based) targets. The plan needs to be critically evaluated to show how it can contribute to the achievement of organisational objectives. For AC 2.1, 2.2 and 2.3, evidence needs to be a structured human resources plan.

For AC 3.1 and 3.2, learners need to explain the purpose of human resource management policies in organisations, showing how they comply with legal and regulatory requirements. Organisational policies should be accessible and the implications and impact of the policies on managing the human resource need to be drawn out through analysis. The assignment used for AC 2.1, 2.2 and 2.3 could be extended to cover AC 3.1 and 3.2.

For AC 4.1 and 4.2, learners need to analyse the impact of organisational structure and culture on human resource management. Structure and culture need to be defined.

For AC4.3, learners need to examine the monitoring of human resource management in relation to contributing to organisational goals. Learners need to identify performance indicators that might be used and how the effectiveness of human resource management can be judged against these indicators.

For AC4.4, learners need to use their work from AC4.3 to recommend improvements to human resource management, supported with justifications based on an analysis of a specific organisation in a specific situation. For AC 4.1, 4.2, 4.3 and 4.4, evidence can be in the form of a report that results from a review of the impact of structure and culture on human resource management, and from an examination of the effectiveness of human resource management, together with recommendations for improving it.

It is possible to assess work orally, with the individual learner explaining and describing things to the assessor in discussion, in group work or in a presentation. If oral assessments are used, then the work must be directly attributable to the individual learner. The assessor must provide a signed statement that includes detail of the evidence presented that is aligned to the criteria. The evidence must support achievement of the criteria. If there is sufficient evidence from the oral work, or from observations, to make an assessment decision, then the assessment decision should be shown.

**Programme of suggested assignments**

The table below shows a programme of suggested assignments that cover the criteria in the assessment grid. This is for guidance only and it is recommended that centres either write their own assignments or adapt Edexcel assignments to meet local needs and resources.

Assessment criteria covered	Assignment title	Scenario	Assessment method
AC 1.1, 1.2, 1.3	Human Resource Management Strategy	The learner works as a newly appointed human resources manager in an organisation.	A review for senior managers
AC 2.1, 2.2, 2.3, 2.4, 3.1, 3.2	Human Resources Planning	The learner works as a human resources manager in an expanding organisation.	A human resource plan
AC 4.1, 4.2, 4.3, 4.4	Reviewing Human Resource Management	The learner is a human resources consultant who has been asked to review human resource management in an organisation that wants to improve its human resource management.	A report for the head of the human resources department

**Essential resources**

There are no essential resources required for this unit.



**Indicative resource materials**

**Textbooks**

Armstrong M – *Strategic Human resource Management: A Guide to Action, 4th Edition* (Kogan Page, 2008) ISBN 0749453753

Holbeche L – *Aligning Human Resources and Business Strategy, 2nd Edition* (Butterworth-Heinemann, 2008) ISBN 0750680172

Saunders M, Millmore M, Lewis P, Thornhill A and Morrow T – *Strategic Human Resource Management: Contemporary Issues* (Financial Times/Prentice Hall, 2007) ISBN 027368163X

**Journals/newspapers**

*Management Today* (Haymarket Business Media)

*People Management* (Chartered Institute of Personnel and Development)

*Professional Manager* (Chartered Management Institute)

*The Economist* (The Economist Newspaper Ltd) has articles on human resource related topics from time to time

**Websites**

<a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a>	Business Link – information on human resource management policies
<a href="http://www.cipd.co.uk">www.cipd.co.uk</a>	The Chartered Institute of Personnel and Development has a range of material on strategic human resource management
<a href="http://www.managementhelp.org">www.managementhelp.org</a>	Free management library with links to human resource management articles